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February 24, 2014

Louisiana Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9439

Re: City of Winnsboro
June 30, 2013 audit report

Daer Sir:

In regard to the audit report for the City of Winnsboro, the report was revised and resubmitted on February 19, 2014. This report replaces the report filed on February 8, 2014. The resubmitted report includes an increase in the general fund budget on page 36. The budget for capital outlay on that page increased from \$24,000 on the original report to the correct budget for capital outlay of \$185,500. The change was necessary because the Board of Aldermen had amended the budget late in the year by adding \$161,00 for the purchase of a street sweeper and another machine. This information was provided the auditor after the original report was submitted to the Legislative Auditor.

The revised audit report also removes from finding number 2013-3 on page 49 concerning the general fund. The City was in compliance with the Louisiana Law in regard to the general fund budget and its general fund spending. There was no law violation concerning the general fund.

Please let me know if you have any questions.

Sincerely,

Myles Hopkins

Myles Hopkins, CPA

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAR 12 2014

REISSUE

CITY OF WINNSBORO, LOUISIANA
ANNUAL FINANCIAL STATEMENTS

AS OF JUNE 30, 2013
AND FOR THE YEAR THEN ENDED

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

CITY OF WINNSBORO, LOUISIANA

**Annual Financial Statements
As of and for the Year Ended June 30, 2013
with Supplemental Information Schedules**

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CITY OF WINNSBORO, LOUISIANA

**Annual Financial Statements
As of and for the Year Ended June 30, 2013
With Supplemental Information Schedules**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Jackie Johnson, Mayor
and the Board of Aldermen
City of Winnsboro, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winnsboro, Louisiana, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winnsboro, Louisiana as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 36 through 39 and the schedule of expenditures of federal awards on page 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Winnsboro, Louisiana's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2014, on our consideration of the City of Winnsboro, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Winnsboro's internal control over financial reporting and compliance.

This report is intended for the information of the Mayor, Members of the Board of Aldermen, management of City of Winnsboro, Louisiana, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silas Simmons, LLP

Natchez, Mississippi
January 21, 2014

SECTION I
REQUIRED SUPPLEMENTAL INFORMATION

CITY OF WINNSBORO, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

The management of the City of Winnsboro, Louisiana offers readers of the City of Winnsboro, Louisiana's (City) financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013. The management's discussion and analysis (MD&A) is designed to provide an objective analysis of the City's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of City finances. It is also intended to provide readers with an analysis of the City's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the City. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Overview of the Financial Statements

This section is intended to serve as an introduction to the City's financial statements. The City's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement No. 34 to provide the readers with a concise "entity-wide" statement of net position and statement of activities, which seeks to give the user of the financial statements a broad overview of the City's financial position and results of operations in a manner similar to private sector businesses.

The statement of net position presents information on all of the City's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or weakening.

The statement of activities presents information which shows how the government's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes).

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues; for example, the police and fire departments. Business-type activities are functions that are intended to support their costs through charges for services or fees; such as the water and sewer departments.

CITY OF WINNSBORO, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

Government-Wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the City's assets exceeded its liabilities by \$18,250,375 (net position); this represents an increase of \$308,558 from last fiscal year. This increase is primarily due to the operating income in governmental activities of \$775,187. The City's net position is comprised of \$11,767,936 from governmental activities and \$6,482,439 from business-type activities.

The following is a condensed statement of the City of Winnsboro's net position as of June 30, 2013 and 2012:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Assets						
Current and other assets	\$ 3,998,632	\$ 4,032,770	\$ 1,517,755	\$ 1,427,283	\$ 5,516,387	\$ 5,460,053
Capital assets, net	<u>9,121,512</u>	<u>8,061,459</u>	<u>9,497,766</u>	<u>10,139,123</u>	<u>18,619,278</u>	<u>18,200,582</u>
Total assets	<u>\$ 13,120,144</u>	<u>\$ 12,094,229</u>	<u>\$ 11,015,521</u>	<u>\$ 11,566,406</u>	<u>\$ 24,135,665</u>	<u>\$ 23,660,635</u>
Liabilities						
Current liabilities	\$ 152,882	\$ 143,828	\$ 310,017	\$ 522,015	\$ 462,899	\$ 665,843
Long-term liabilities	<u>1,199,326</u>	<u>957,652</u>	<u>4,223,065</u>	<u>4,095,323</u>	<u>5,422,391</u>	<u>5,052,975</u>
Total liabilities	<u>\$ 1,352,208</u>	<u>\$ 1,101,480</u>	<u>\$ 4,533,082</u>	<u>\$ 4,617,338</u>	<u>\$ 5,885,290</u>	<u>\$ 5,718,818</u>
Net position						
Invested in capital assets, net	\$ 8,981,482	\$ 8,061,459	\$ 5,169,075	\$ 5,711,515	\$ 14,150,557	\$ 13,772,974
Restricted for customer deposits	-	-	142,693	145,166	142,693	145,166
Restricted for debt service	-	-	459,658	457,745	459,658	457,745
Restricted for capital projects	2,730,136	1,810,773	-	-	2,730,136	1,810,773
Unrestricted	<u>56,318</u>	<u>1,120,517</u>	<u>711,013</u>	<u>634,642</u>	<u>767,331</u>	<u>1,755,159</u>
Total net position	<u>\$ 11,767,936</u>	<u>\$ 10,992,749</u>	<u>\$ 6,482,439</u>	<u>\$ 6,949,068</u>	<u>\$ 18,250,375</u>	<u>\$ 17,941,817</u>

By far the largest portion of the City's net position (\$14,150,557 or 78%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, City infrastructure, etc.) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

The City has total outstanding debt of \$4,468,721. Total liabilities of \$5,885,290 are equal to 32% of the total net position.

The City's governmental activities increased net position by \$775,187. Business-type activities decreased net position by \$466,629.

CITY OF WINNSBORO, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

Government-Wide Financial Analysis (continued)

The following is a summary of the statement of activities:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenue						
Program revenue	\$ 1,137,057	\$ 697,099	\$ 1,489,165	\$ 1,442,889	\$ 2,626,222	\$ 2,139,988
General revenue	<u>3,637,842</u>	<u>3,440,839</u>	<u>6,160</u>	<u>27,036</u>	<u>3,644,002</u>	<u>3,467,875</u>
Total revenue and transfers	<u>\$ 4,774,899</u>	<u>\$ 4,137,938</u>	<u>\$ 1,495,325</u>	<u>\$ 1,469,925</u>	<u>\$ 6,270,224</u>	<u>\$ 5,607,863</u>
Expenses						
General and administrative	\$ 2,097,060	\$ 2,086,384	\$ -	\$ -	\$ 2,097,060	\$ 2,086,384
Public safety - police	552,983	532,650	-	-	552,983	532,650
Public safety - fire	382,499	412,418	-	-	382,499	412,418
Public works - streets	824,539	797,970	-	-	824,539	797,970
Recreation	139,347	162,222	-	-	139,347	162,222
Combined utility	-	-	1,798,252	1,742,943	1,798,252	1,742,943
Interest on long-term debt	<u>3,284</u>	<u>9,505</u>	<u>163,702</u>	<u>169,228</u>	<u>166,986</u>	<u>178,733</u>
Total expenses	<u>\$ 3,999,712</u>	<u>\$ 4,001,149</u>	<u>\$ 1,961,954</u>	<u>\$ 1,912,171</u>	<u>\$ 5,961,666</u>	<u>\$ 5,913,320</u>
Increase (decrease) in net position	<u>\$ 775,187</u>	<u>\$ 136,789</u>	<u>\$ (466,629)</u>	<u>\$ (442,246)</u>	<u>\$ 308,558</u>	<u>\$ (305,457)</u>
Net position, beginning	<u>\$ 10,992,749</u>	<u>\$ 10,855,960</u>	<u>\$ 6,949,068</u>	<u>\$ 7,391,314</u>	<u>\$ 17,941,817</u>	<u>\$ 18,247,274</u>
Net position, ending	<u>\$ 11,767,936</u>	<u>\$ 10,992,749</u>	<u>\$ 6,482,439</u>	<u>\$ 6,949,068</u>	<u>\$ 18,250,375</u>	<u>\$ 17,941,817</u>

Governmental Activities

The governmental activities of the City include General Government, Public Safety, Public Works, Recreation, and Payment of Interest on Long-Term Debt. Revenues normally associated with municipal operations (e.g., sales tax, property tax, franchise fees, license fees, sanitation fees, permits, fines, and operating grants) are sufficient for the funding of these activities.

CITY OF WINNSBORO, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

Government-Wide Financial Analysis (continued)

Business-Type Activities

The business-type activities of the City are those that charge a fee to customers for the services provided. The City has one business-type activity, which is accounted for in the enterprise fund. The City uses the enterprise fund to account for the revenue and expenses related to the provision of water and sewer services.

Fund Financial Statements - Governmental Funds

The fund financial statements provide more detailed information about the City's most significant funds - not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for a particular purpose.

The City currently maintains four individual governmental fund types. These fund types are the General Fund, Industrial Grant, Sales Tax, and Capital Projects. Information is presented separately in the governmental funds balance sheet (Statement C) and in the governmental fund statement of revenues, expenditures, and changes in fund balances (Statement E) for these General Funds, which are considered to be a major fund.

The City adopts an annual budget for the General Fund. A statement of revenues, expenditures, and changes in fund balance for the General Fund is presented in the Required Supplemental Information (Part II), which compares actual revenues and expenditures to the original budget and amended budget figures.

Fund Financial Statements - Proprietary Funds

The City maintains one proprietary fund. Proprietary funds are used to report the same functions as business-type activities. The City uses an enterprise fund (the first type of proprietary fund) to account for its combined water and sewer operations. This enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements.

General Fund Budgetary Highlights

The original General Fund budget was amended once during the fiscal year.

Budgeted revenues exceeded actual revenues by \$18,086. Expenditures were \$144,437 more than provided for in the budget. The positive budget variance on revenues was due to grant revenues being higher than expected. Additionally, the negative budget variance on expenditures was due to general government expenditures being more than anticipated. Actual transfers from the utility fund were \$136,500 more than projected in the budget. There was an overall final negative budget variance of \$162,523 or 11% of the total budgeted expenditures.

CITY OF WINNSBORO, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

Capital Asset and Debt Administration

The total investment in net capital assets as of June 30, 2013, was \$18,619,278. The governmental activities included \$9,121,512 in net capital assets and business-type activities included \$9,497,766 in net capital assets.

New major capital assets purchased or constructed in fiscal year 2013 are:

Governmental activities:

Airport improvements	\$	198,959
Street sweeper	\$	136,500
Street improvements	\$	1,402,154
Adams Street property	\$	85,000
Industrial equipment	\$	25,000

Business-type activities:

Radios	\$	18,250
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Future Plans

The City of Winnsboro is in the process of developing plans for a Family Life Center to be constructed on 20 acres of land donated to the City by Mr. W. O. Gwynn. This facility will have features for every age group and will include an auditorium, track field, soccer field, recreation center, indoor track, swimming pool, and other features.

The project is expected to cost in excess of \$3,000,000. The State of Louisiana is expected to contribute \$700,000 and the remainder of the funds will be from bonds sold by the City. The bonds will be sold pending approval of a 4 mill property tax which is expected to generate approximately \$100,000 annually. The bonds and interest will be repaid with the property tax proceeds annually.

Requests for Information

This financial report is designed to provide a general overview of the City of Winnsboro's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Julia Thomas, City Clerk, (318-435-9087), Post Office Box 250, Winnsboro, Louisiana 71295.

BASIC FINANCIAL STATEMENTS

SECTION II
GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF WINNSBORO, LOUISIANA

STATEMENT OF NET POSITION

JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 2,528,026	\$ 745,888	\$ 3,273,914
Receivables, net	250,430	168,909	419,339
Interest receivable	1,235	607	1,842
Restricted assets	1,218,941	602,351	1,821,292
Capital assets, net	<u>9,121,512</u>	<u>9,497,766</u>	<u>18,619,278</u>
Total assets	<u>\$ 13,120,144</u>	<u>\$ 11,015,521</u>	<u>\$ 24,135,665</u>
<u>LIABILITIES</u>			
Accounts, salaries, and other payables	\$ 49,082	\$ 19,674	\$ 68,756
Accrued compensated absences	80,526	31,092	111,618
Customer deposits	-	142,693	142,693
Accrued interest payable	168	10,932	11,100
Notes payable, due within one year	23,106	105,626	128,732
Notes payable, beyond one year	116,924	4,223,065	4,339,989
Net OPEB obligation	<u>1,082,402</u>	<u>-</u>	<u>1,082,402</u>
Total liabilities	<u>\$ 1,352,208</u>	<u>\$ 4,533,082</u>	<u>\$ 5,885,290</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	\$ 8,981,482	\$ 5,169,075	\$ 14,150,557
Restricted for customer deposits	-	142,693	142,693
Restricted for debt service	-	459,658	459,658
Restricted for capital projects	2,730,136	-	2,730,136
Unrestricted	<u>56,318</u>	<u>711,013</u>	<u>767,331</u>
Total net position	<u>\$ 11,767,936</u>	<u>\$ 6,482,439</u>	<u>\$ 18,250,375</u>

The accompanying notes are an integral part of this financial statement.

CITY OF WINNSBORO, LOUISIANA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

	Expenses	Program Revenues		Net (Expenses), Revenues, and Changes		Total
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<u>GOVERNMENTAL ACTIVITIES</u>						
General government	\$ 2,097,060	\$ 62,612	\$ 998,469	\$ (1,035,979)	\$ -	\$ (1,035,979)
Public safety						
Police	552,983	75,976	-	(477,007)	-	(477,007)
Fire	382,499	-	-	(382,499)	-	(382,499)
Public works						
Streets	824,539	-	-	(824,539)	-	(824,539)
Recreation	139,347	-	-	(139,347)	-	(139,347)
Interest paid	3,284	-	-	(3,284)	-	(3,284)
Total governmental activities	<u>\$ 3,999,712</u>	<u>\$ 138,588</u>	<u>\$ 998,469</u>	<u>\$ (2,862,655)</u>	<u>\$ -</u>	<u>\$ (2,862,655)</u>
<u>BUSINESS-TYPE ACTIVITIES</u>						
Sewer and water	\$ 1,961,954	\$ 1,489,165	\$ -	\$ -	\$ (472,789)	\$ (472,789)
Total business-type activities	<u>\$ 1,961,954</u>	<u>\$ 1,489,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (472,789)</u>	<u>\$ (472,789)</u>
Total	<u>\$ 5,961,666</u>	<u>\$ 1,627,753</u>	<u>\$ 998,469</u>	<u>\$ (2,862,655)</u>	<u>\$ (472,789)</u>	<u>\$ (3,335,444)</u>
General Revenues:						
Property taxes				\$ 206,417	\$ -	\$ 206,417
Sales taxes				2,802,552	-	2,802,552
Franchise taxes				141,193	-	141,193
Beer taxes				2,103	-	2,103
Hotel taxes				13,057	-	13,057
Licenses and permits				343,533	-	343,533
Investment earnings				15,911	6,160	22,071
Video poker income				35,694	-	35,694
Other general revenues				77,382	-	77,382
Total general revenues and transfers				<u>\$ 3,637,842</u>	<u>\$ 6,160</u>	<u>\$ 3,644,002</u>
Change in net position				\$ 775,187	\$ (466,629)	\$ 308,558
Net position - beginning				10,992,749	6,949,068	17,941,817
Net position - ending				<u>\$ 11,767,936</u>	<u>\$ 6,482,439</u>	<u>\$ 18,250,375</u>

The accompanying notes are an integral part of this financial statement.

SECTION III
FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CITY OF WINNSBORO, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2013

	Major Funds				
	General	Industrial Grant	Sales Tax	Capital Projects	Total
<u>ASSETS</u>					
Cash	\$ 38,977	\$ 650,750	\$ 1,838,291	\$ 8	\$ 2,528,026
Receivables (net of allowances for uncollectibles)	10,570	-	239,860	-	250,430
Interest receivable	-	630	605	-	1,235
Restricted assets	-	-	1,218,941	-	1,218,941
Total assets	\$ 49,547	\$ 651,380	\$ 3,297,697	\$ 8	\$ 3,998,632
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 34,954	\$ -	\$ -	\$ -	\$ 34,954
Accrued salaries	14,128	-	-	-	14,128
Total liabilities	\$ 49,082	\$ -	\$ -	\$ -	\$ 49,082
Fund balances:					
Restricted for capital projects	\$ -	\$ -	\$ 1,218,941	\$ 8	\$ 1,218,949
Committed for:					
Special revenue projects	-	651,380	2,078,756	-	2,730,136
Unassigned	465	-	-	-	465
Total fund balances	\$ 465	\$ 651,380	\$ 3,297,697	\$ 8	\$ 3,949,550
Total liabilities and fund balances	\$ 49,547	\$ 651,380	\$ 3,297,697	\$ 8	\$ 3,998,632

The accompanying notes are an integral part of this financial statement.

CITY OF WINNSBORO, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

JUNE 30, 2013

Fund balances, total governmental funds (Statement C)	\$ 3,949,550
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Amounts reported for governmental activities in the statement of net position
are different because:

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the governmental funds.

Capital assets, net	9,121,512
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Long-term liabilities are not due and payable in the current period and,
therefore, are not reported in the fund financial statements.

Notes payable	(140,030)
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Accrued interest payable	(168)
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Accrued compensated absences liability	(80,526)
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Net post employment benefit obligation	<u>(1,082,402)</u>
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Net position of governmental activities (Statement A)	<u>\$ 11,767,936</u>
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CITY OF WINNSBORO, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Major Funds				
	General	Industrial Grant	Sales Tax	Capital Projects	Total
<u>REVENUES</u>					
Taxes	\$ 362,770	\$ -	\$ 2,802,552	\$ -	\$ 3,165,322
Licenses and permits	379,227	-	-	-	379,227
Intergovernmental:					
Federal	50,194	-	-	595,650	645,844
State	56,425	5,884	290,316	-	352,625
Charges for services	62,612	-	-	-	62,612
Fines and forfeitures	75,976	-	-	-	75,976
Interest income	428	8,104	7,379	-	15,911
Other	65,382	12,000	-	-	77,382
Total revenues	\$ 1,053,014	\$ 25,988	\$ 3,100,247	\$ 595,650	\$ 4,774,899
<u>EXPENDITURES</u>					
General government	\$ 1,405,960	\$ 48,665	\$ 27,291	\$ -	\$ 1,481,916
Public safety:					
Police	502,248	-	-	-	502,248
Fire	330,634	-	-	-	330,634
Street department	539,790	-	-	-	539,790
Recreation	120,727	-	-	-	120,727
Capital outlays	335,459	110,000	806,504	595,650	1,847,613
Debt service					
Principal	17,137	-	-	-	17,137
Interest	5,975	-	-	-	5,975
Total expenditures	\$ 3,257,930	\$ 158,665	\$ 833,795	\$ 595,650	\$ 4,846,040
Excess (deficiency) of revenues over (under) expenditures	\$ (2,204,916)	\$ (132,677)	\$ 2,266,452	\$ -	\$ (71,141)
<u>OTHER FINANCING SOURCES</u>					
Transfers in	\$ 2,086,500	\$ -	\$ -	\$ -	\$ 2,086,500
Transfers out	-	-	(2,086,500)	-	(2,086,500)
Total other financing sources	\$ 2,086,500	\$ -	\$ (2,086,500)	\$ -	\$ -
Net change in fund balance	\$ (118,416)	\$ (132,677)	\$ 179,952	\$ -	\$ (71,141)
Fund balances - beginning	118,881	784,057	3,117,745	8	4,020,691
Fund balances - ending	\$ 465	\$ 651,380	\$ 3,297,697	\$ 8	\$ 3,949,550

The accompanying notes are an integral part of this financial statement.

CITY OF WINNSBORO, LOUISIANA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2013

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances, total governmental funds, (Statement E)	\$	(71,141)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		1,847,613
Depreciation expense		(787,560)

Net post employment benefit obligation expensed		(259,715)
Net accrued compensated absences expensed		26,162

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$17,137 exceeds additions to debt of \$0.

17,137

Decrease in accrued interest on long-term liabilities

2,691

Change in net position of governmental activities, (Statement B)

\$ 775,187

PROPRIETARY FUNDS

CITY OF WINNSBORO, LOUISIANA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2013

ASSETS

Current assets

Cash	\$ 745,888
Receivables (net of allowances for uncollectibles)	168,909
Interest receivable	<u>607</u>
Total current assets	<u>\$ 915,404</u>

Noncurrent assets

Restricted assets:

Cash and cash equivalents	\$ 602,351
Capital assets (net of accumulated depreciation)	<u>9,497,766</u>

Total noncurrent assets	<u>\$ 10,100,117</u>
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Total assets	<u>\$ 11,015,521</u>
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LIABILITIES

Current liabilities

Accounts, salaries, and other payable	\$ 19,674
Accrued compensated absences	<u>31,092</u>

Total current liabilities	<u>\$ 50,766</u>
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Current liabilities payable from restricted assets

Accrued interest payable	\$ 10,932
Consumer deposits	142,693
Current portion of notes payable	<u>105,626</u>

Total current liabilities payable from restricted assets	<u>\$ 259,251</u>
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Long-term liabilities

Note payable	<u>\$ 4,223,065</u>
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Total liabilities	<u>\$ 4,533,082</u>
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NET POSITION

Invested in capital assets, net of related debt	\$ 5,169,075
Restricted for customer deposits	142,693
Restricted for debt service	459,658
Unrestricted	<u>711,013</u>

Total net position	<u>\$ 6,482,439</u>
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The accompanying notes are an integral part of this financial statement.

CITY OF WINNSBORO, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

OPERATING REVENUES

Charges for services:

Water sales	\$ 786,950
Water tap fees	21,800
Sewer charges	675,578
Other operating revenue	<u>4,837</u>

Total operating revenues \$ 1,489,165

OPERATING EXPENSES

Salaries	\$ 401,004
Administrative	406,290
Materials and supplies	172,003
Power	159,348
Depreciation	<u>659,607</u>

Total operating expenses \$ 1,798,252

Operating (Loss) \$ (309,087)

Nonoperating Revenues and Expenses

Interest earnings	\$ 6,160
Interest expense	<u>(163,702)</u>

Total nonoperating revenues \$ (157,542)

Change in Net Position \$ (466,629)

Total net position - beginning 6,949,068

Total net position - ending \$ 6,482,439

The accompanying notes are an integral part of this financial statement.

CITY OF WINNSBORO, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

Cash Flows from Operating Activities

Receipts from customers and users	\$ 1,441,622
Payments to suppliers	(719,223)
Payments to employees	(402,930)
Net cash provided by operating activities	<u>\$ 319,469</u>

Cash Flows from Capital and Related Financing Activities

Acquisition and construction of capital assets	\$ (18,250)
Decrease in customer deposits	(2,473)
Proceeds from notes payable	3,975
Interest paid on capital debt	(163,060)
Principal paid on capital debt	(102,892)
Net cash (used for) capital and related financing activities	<u>\$ (282,700)</u>

Cash Flows from Investing Activities

Interest on temporary investments	\$ 6,765
Net cash provided by investing activities	<u>\$ 6,765</u>

Net increase in cash and cash equivalents	\$ 43,534
Cash, beginning of year	<u>1,304,705</u>
Cash, end of year	<u>\$ 1,348,239</u>

Reconciliation of Operating (Loss) to Net Cash
Provided by Operating Activities

Operating (loss)	\$ (309,087)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	659,607
Change in assets and liabilities	
Increase in:	
Accounts receivable - customers	(47,543)
Accounts payable	18,418
Decrease in:	
Accrued compensated absences	(1,926)
Net cash provided by operating activities	<u>\$ 319,469</u>

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

INTRODUCTION

The City of Winnsboro, Louisiana is a municipal corporation governed by an elected mayor.

1. The City of Winnsboro, Louisiana was incorporated under provisions of the Lawrason Act as a City in 1902.
2. The purpose of a municipality is to provide utility services (water and sewer), public safety (police and fire), streets, recreation, sanitation, and general administrative services.
3. The Board of Aldermen consists of five elected members that are paid \$300 per month for regular meetings and \$50 for each special meeting.
4. The City of Winnsboro is located in Franklin Parish, Louisiana.
5. The population of Winnsboro was 4,910 in 2010, according to the census.
6. The City of Winnsboro had 44 employees as of June 30, 2013.
7. The City of Winnsboro had approximately 2,150 utility customers as of June 30, 2013. The customers consisted of 1,950 residential customers and 200 commercial customers.

GASB Statement No. 13, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. *Government-Wide and Fund Financial Statements (continued)*

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Industrial Grant Fund accumulates funds from certain grants and other sources primarily used for capital outlays.

The Sales Tax Fund collects and disburses to other funds all sales tax revenues.

The Capital Projects Fund accounts for capital project activities.

The municipality reports the following major proprietary fund:

The Utility Fund is used to account for the provision of water utilities, as well as sewer services, to residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service and billing and collection.

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation* (continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the municipality's policy to use restricted resources first, then unrestricted resources as they are needed.

C. *Cash and Cash Equivalents*

The municipality's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition. State law and the municipality's investment policy allow the municipality to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

D. *Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. *Receivables and Payables* (continued)

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and customer's utility receivables are recognized through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

The City annually levies ad valorem taxes in accordance with state statute for the fiscal year ended June 30. Tax bills are prepared and delivered in October with payment due from the date of receipt to the last day of February. Because of the due dates noted previously, ad valorem taxes are not considered to be available resources of the fiscal year to which they apply and are, therefore, not accrued at the end of the fiscal year.

The City bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Franklin Parish.

For the year ended June 30, 2013, taxes of 8.04 mills were levied on property with assessed valuations totaling \$27,231,239, after abatements and exemptions, and were dedicated as follows:

General corporate purposes	<u>8.04 mills</u>
Total taxes levied were	<u>\$ 218,940</u>

E. *Inventories*

For both governmental and proprietary funds, purchase of various operating supplies are regarded as expenditures or expenses at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year. For the year ending June 30, 2013, these amounts were considered to be immaterial.

F. *Restricted Assets - Utility Fund*

Restricted assets were applicable to the following at June 30, 2013:

Consumer deposits	\$ 142,693
Debt service	<u>459,658</u>
Total restricted assets	<u>\$ 602,351</u>

G. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$1,000 or more for capitalizing capital assets used in the governmental funds.

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Governmental activities:	
Land improvements	30 years
Buildings	40 years
Vehicles	5 - 15 years
Machinery and equipment	5 - 15 years
Business-type activities/Enterprise Fund:	
Buildings	25 years
Infrastructure	20 - 50 years
Machinery and equipment	10 - 20 years
Vehicles	5 years

H. Compensated Absences

The liability for compensated absences has been accrued based on accrued vacation time plus a maximum of 480 hours of accrued sick time.

I. Long-Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The City follows procedures established by Louisiana Revised Statute in the preparation and adoption of its annual operating budgets as follows:

1. The City Clerk prepares a proposed budget and submits same to the Mayor and City Council no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. The budget for all funds is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts are as originally adopted, or as amended from time to time by the City Council.

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 2013, the municipality has cash and cash equivalents (book balances) totaling \$5,095,206 as follows:

	Governmental Activities	Business-Type Activities	Totals
Demand deposits	\$ 2,668,268	\$ 819,838	\$ 3,488,106
Time deposits	1,077,699	528,401	1,606,100
Cash on hand	1,000	-	1,000
Total	\$ 3,746,967	\$ 1,348,239	\$ 5,095,206

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 3 - CASH AND CASH EQUIVALENTS (continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2013, the municipality had \$5,020,538 in deposits (collected bank balances). These deposits are secured from risk by \$1,000,000 of federal deposit insurance and \$4,020,538 of pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2013, consisted of the following:

Class of Receivable	General Fund	Enterprise Fund	Total
Sales tax	\$ 239,860	\$ -	\$ 239,860
Accounts	10,428	188,909	199,337
Fines	4,142	-	4,142
Less revenue for bad debts	(4,000)	(20,000)	(24,000)
Total	<u>\$ 250,430</u>	<u>\$ 168,909</u>	<u>\$ 419,339</u>

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the receivable.

NOTE 5 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2013, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 619,058	\$ 85,000	\$ -	\$ 704,058
Total capital assets, not being depreciated	<u>\$ 619,058</u>	<u>\$ 85,000</u>	<u>\$ -</u>	<u>\$ 704,058</u>
Capital assets being depreciated				
Buildings	\$ 3,629,300	\$ -	\$ -	\$ 3,629,300
Land improvements	1,004,604	-	-	1,004,604
Machinery and equipment	4,184,511	25,000	-	4,209,511
Other	9,250,218	1,737,613	-	10,987,831
Total capital assets being depreciated	<u>\$ 18,068,633</u>	<u>\$ 1,762,613</u>	<u>\$ -</u>	<u>\$ 19,831,246</u>

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 5 - CAPITAL ASSETS (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Less accumulated depreciation for:				
Buildings	\$ (1,831,631)	\$ (96,525)	\$ -	\$ (1,928,156)
Land improvements	(409,630)	(88,697)	-	(498,327)
Machinery and equipment	(2,968,503)	(256,266)	-	(3,224,769)
Other	(5,416,468)	(346,072)	-	(5,762,540)
Total accumulated depreciation	<u>\$ (10,626,232)</u>	<u>\$ (787,560)</u>	<u>\$ -</u>	<u>\$ (11,413,792)</u>
Total capital assets being depreciated, net	<u>\$ 7,442,401</u>	<u>\$ 975,053</u>	<u>\$ -</u>	<u>\$ 8,417,454</u>
Governmental-type activities capital assets, net	<u>\$ 8,061,459</u>	<u>\$ 1,060,053</u>	<u>\$ -</u>	<u>\$ 9,121,512</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	<u>\$ 16,033</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,033</u>
Total capital assets, not being depreciated	<u>\$ 16,033</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,033</u>
Capital assets being depreciated				
Water plant	\$ 10,473,015	\$ 18,250	\$ -	\$ 10,491,265
Sewer plant	<u>11,261,124</u>	<u>-</u>	<u>-</u>	<u>11,261,124</u>
Total capital assets being depreciated	<u>\$ 21,734,139</u>	<u>\$ 18,250</u>	<u>\$ -</u>	<u>\$ 21,752,389</u>
Less accumulated depreciation for:				
Water plant	\$ (5,133,241)	\$ (343,413)	\$ -	\$ (5,476,654)
Sewer plant	<u>(6,477,808)</u>	<u>(316,194)</u>	<u>-</u>	<u>(6,794,002)</u>
Total accumulated depreciation	<u>\$ (11,611,049)</u>	<u>\$ (659,607)</u>	<u>\$ -</u>	<u>\$ (12,270,656)</u>
Total capital assets being depreciated, net	<u>\$ 10,123,090</u>	<u>\$ (641,357)</u>	<u>\$ -</u>	<u>\$ 9,481,733</u>
Business-type activities capital assets, net	<u>\$ 10,139,123</u>	<u>\$ (641,357)</u>	<u>\$ -</u>	<u>\$ 9,497,766</u>

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 5 - CAPITAL ASSETS (continued)

Depreciation expense of \$787,560 for the year ended June 30, 2013, was charged to the following governmental functions:

General government	\$	373,392
Public safety:		
Police		44,012
Fire		61,788
Public works:		
Streets		289,748
Recreation		<u>18,620</u>
Total	\$	<u>787,560</u>

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers during the year ended June 30, 2013, were as follows:

<u>Transfers in</u>	<u>Transfers out</u>	
General Fund	Sales Tax Fund	\$ 2,086,500
		<u>\$ 2,086,500</u>

- The Sales Tax Funds transferred to the General Fund cover expenses of general operations.

NOTE 7 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$68,756 at June 30, 2013, were as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Accounts	\$ 34,954	\$ 17,692	\$ 52,646
Accrual salaries	<u>14,128</u>	<u>1,982</u>	<u>16,110</u>
Total	<u>\$ 49,082</u>	<u>\$ 19,674</u>	<u>\$ 68,756</u>

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 8 - LONG-TERM LIABILITIES

The following is a summary of changes in governmental activities long-term liabilities in the statement of net position for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
General obligation bonds	\$ 123,965	\$ -	\$ (13,527)	\$ 110,438	\$ 18,242
General obligation bonds	33,202	-	(3,610)	29,592	4,864
Compensated absences	106,688	-	(26,162)	80,526	80,526
Total	<u>\$ 263,855</u>	<u>\$ -</u>	<u>\$ (43,299)</u>	<u>\$ 220,556</u>	<u>\$ 103,632</u>

Bonds payable at June 30, 2013, are comprised of the following in governmental activities:

General obligation bonds - \$150,000 general obligation bonds due in installments of \$21,941 to \$21,968 through July 20, 2020, bearing interest at a rate of 4.0%.	\$ 110,438
General obligation bonds - \$40,000 general obligation bonds due in annual installments of \$5,851 through July 20, 2020, bearing interest at a rate of 4.0%.	29,592
	<u>\$ 140,030</u>

The annual requirements to amortize the general obligation bonds as of June 30, 2013, are as follows:

Year Ended	General Obligation Bonds		Total
	Principal	Interest	
2013	\$ 23,106	\$ 4,686	\$ 27,792
2014	24,048	3,744	27,792
2015	25,055	2,764	27,819
2016	26,047	1,774	27,821
2017	27,018	773	27,791
Thereafter	14,756	2	14,758
	<u>\$ 140,030</u>	<u>\$ 13,743</u>	<u>\$ 153,773</u>

The following is a summary of the business-type activities long-term liabilities for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Water and sewer notes	\$ 4,427,608	\$ 3,975	\$ (102,892)	\$ 4,328,691	\$ 105,626
Total	<u>\$ 4,427,608</u>	<u>\$ 3,975</u>	<u>\$ (102,892)</u>	<u>\$ 4,328,691</u>	<u>\$ 105,626</u>

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 8 - LONG-TERM LIABILITIES (continued)

Long-term debt as of June 30, 2013, is comprised of the following:

Enterprise Fund

Sewer revenue bonds - USDA - \$840,000 in 1996 bonds due in monthly installments totaling \$49,034 annually through May 6, 2034, bearing interest rate of 5%.	\$ 632,446
Water revenue bonds - USDA - \$3,054,000 in 2004 bonds due in monthly installments totaling \$166,392 annually through May 6, 2041, bearing interest rate of 4.5%.	2,789,303
Sewer revenue bonds - Louisiana Department of Environmental Quality - \$851,757 in 1996 bonds due in monthly installments totaling \$54,561 annually through May 6, 2031, bearing interest rate of 4.5%.	<u>906,942</u>
Total long-term debt	<u>\$ 4,328,691</u>

The annual requirements to amortize all outstanding debt as of June 30, 2013, including interest payments, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 105,626	\$ 159,950	\$ 265,576
2015	109,457	156,913	266,370
2016	112,422	153,737	266,159
2017	116,528	150,429	266,957
2018	119,503	147,236	266,739
2019-2023	659,333	658,941	1,318,274
2024-2028	780,317	559,344	1,339,661
2029-2033	823,545	436,680	1,260,225
2034-2038	616,390	274,064	890,454
2039-2042	710,570	124,276	834,846
2043-2045	<u>175,000</u>	<u>3,944</u>	<u>178,944</u>
Totals	<u>\$ 4,328,691</u>	<u>\$ 2,825,514</u>	<u>\$ 7,154,205</u>

The City of Winnsboro's proprietary fund bonds are governed by the terms of indenture agreements, under the following terms:

1. The City shall maintain a sinking fund into which monthly deposits totaling \$19,883 shall be made.
2. The City shall maintain a reserve fund which when fully funded shall have a total of \$238,596 balance.

At June 30, 2013, the City of Winnsboro was in compliance with these requirements.

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 9 - RETIREMENT SYSTEMS

City employees currently participate in one of four retirement systems, which are described in the following paragraphs:

Municipal Employees' Retirement System of Louisiana (System)

Eligible employees of the City participate in the Municipal Employees' Retirement System, State of Louisiana ("System"), a multiple-employer, public employee retirement system (PERS).

Plan Description. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least 35 hours per week, and not participating in another publicly funded retirement system and under age 60 at the date of employment. Employees with at least 25 years of Plan A creditable services regardless of age or with at least 10 years Plan A creditable service and at least 60 years of age are entitled to a retirement benefit.

Generally, the monthly amount of retirement allowance for any member of Plan A shall consist of an amount equal to 3.0% of the member's final compensation multiplied by his/her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

The System also provides for death and disability benefits. Benefits and employer/employee obligations to contribute are established by State statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 16.75%. The contribution requirements of Plan members and the City are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System under Plan A for the years ending June 30, 2013, 2012, and 2011, were \$140,287, \$147,109, and \$117,158, respectively, equal to the required contributions for each year.

Municipal Police Employees' Retirement System of Louisiana (System)

Eligible employees of the City have the option to participate in the Municipal Police Employees' Retirement System, State of Louisiana ("System"), a multiple-employer public employee retirement system (PERS).

Plan Description. All full-time police department employees engaged in law enforcement have the option to participate in the System. Employees who retire at or after age 50 with at least 20 years creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination.

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 9 - RETIREMENT SYSTEMS (continued)

Municipal Police Employees' Retirement System of Louisiana (System) (continued)

The System also provides for death and disability benefits. Benefits and employer/employee obligations to contribute are established by State statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System of Louisiana, 8401 United Plaza Boulevard, Room 270, Baton Rouge, Louisiana 70809.

Funding Policy. Plan members are required by State statute to contribute 10.0% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 26.50% of annual covered payroll. The contribution requirements of Plan members and the City are established and may be amended by State statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System for the years ending June 30, 2013, 2012, and 2011, were \$91,601, \$67,697, and \$50,854, respectively, equal to the required contributions for each year.

Firefighters' Retirement System of Louisiana (Plan)

Eligible employees of the City have the option to participate in the Firefighters' Retirement System, State of Louisiana ("System"), a multiple-employer public employee retirement system (PERS).

Plan Description. All full-time firemen have the option to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination.

The System also provides for death and disability benefits. Benefits and employer/employee obligations to contribute are established by State statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, P. O. Box 94095, Baton Rouge, Louisiana 70804.

Funding Policy. Plan members are required by State statute to contribute 10% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 23.25% of annual covered payroll. The contribution requirements of Plan members and the City are established and may be amended by State statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System for the years ending June 30, 2013, 2012, and 2011, were \$26,104, \$17,777, and \$6,630, respectively, equal to the required contributions for each year.

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 9 - RETIREMENT SYSTEMS (continued)

Louisiana State Employees' Retirement System (System)

The City judge of the City of Winnsboro, Louisiana participates in the Louisiana State Employees' Retirement System, a multiple-employer, public employee retirement system (PERS).

Plan Description. The City judge of the City of Winnsboro, Louisiana has the option to participate in the System. Employees who retire with 30 or more years of creditable service at any age, or employees who have 25 years of creditable service who have attained age 55, or employees who have 10 years of creditable service who have attained age 60 are entitled to a retirement benefit, payable monthly for life, equal to 2 1/2% of their final-average salary for each year of creditable service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination.

The System also provides for death and disability benefits. Benefits and employer/employee obligations to contribute are established by State statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System, P. O. Box 44213, Baton Rouge, Louisiana 70804.

Funding Policy. Plan members are required by State statute to contribute 11.5% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 18.60% of annual covered payroll. The contribution requirements of Plan members and the City are established and may be amended by State statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the System for the years ending June 30, 2013, 2012, and 2011, were \$4,722, \$3,244, and \$1,117, respectively, equal to the required contributions for each year.

NOTE 10 - SEGMENT INFORMATION FOR UTILITY FUND

The Enterprise Fund operated by the City provides water and sewer utility services. The following is a summary of segment information for Enterprise Funds:

	Water Utility	Sewer Service	Total
Operating revenue	\$ 808,750	\$ 680,415	\$ 1,489,165
Salaries	\$ 245,693	\$ 155,311	\$ 401,004
Administrative	237,001	169,289	406,290
Materials and supplies	152,890	19,113	172,003
Power	76,028	83,320	159,348
Depreciation	316,194	343,413	659,607
Total operating expenses	\$ 1,027,806	\$ 770,446	\$ 1,798,252
Operating income (loss)	\$ (219,056)	\$ (90,031)	\$ (309,087)

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 11 - COMPENSATION OF THE GOVERNING BOARD

The Governing Board of the City of Winnsboro, Louisiana consists of five Council Members. For the fiscal year ended June 30, 2013, the following compensations were paid:

Jackie Johnson, Mayor	\$ 30,200
Kaye Cupp	1,094
Richard Mahoney	2,100
John Dumas	3,600
Betty Johnson	3,600
Craig Gill	3,600
Rex McCarthy	3,600
Totals	<u>\$ 47,794</u>

NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 13 - CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

NOTE 14 - POST EMPLOYMENT BENEFITS

Plan Description. The City of Winnsboro's medical benefits are provided to employees upon actual retirement.

The employer pays 100% of the medical coverage for the retiree (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age or, age 60 and 10 years of service.

Contribution Rates. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Until 2009, the City of Winnsboro recognized the cost of providing post employment medical benefits (the City of Winnsboro's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post employment benefits on a pay-as-you-go basis. In 2013 and 2012, the City of Winnsboro's portion of health care funding cost for retired employees totaled \$161,953 and \$40,717, respectively.

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 14 - POST EMPLOYMENT BENEFITS (continued)

Effective July 1, 2009, the City of Winnsboro implemented Government Accounting Standards Board Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution. The City of Winnsboro's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post employment benefits. The actuarially computed ARC is as follows:

	2013	2012
Normal cost	\$ 144,395	\$ 136,529
30-year UAAL amortization amount	<u>291,942</u>	<u>276,386</u>
Annual required contribution (ARC)	<u>\$ 436,337</u>	<u>\$ 412,915</u>

Net Post Employment Benefit Obligation (Asset). The table below shows the City of Winnsboro's Net Other Post Employment Benefit (OPEB) Obligation (Asset) for fiscal years ending June 30:

	2013	2012
1. Beginning net OPEB obligation	\$ 822,687	\$ 543,800
2. Annual required contribution	\$ 436,337	\$ 412,915
3. Interest on net OPEB obligation	32,907	21,752
4. ARC adjustment	<u>(47,576)</u>	<u>(31,448)</u>
5. OPEB cost	\$ 421,668	\$ 403,219
6. Contribution	-	-
7. Current year retiree premium	<u>(161,953)</u>	<u>(124,332)</u>
8. Change in net OPEB obligation	<u>\$ 259,715</u>	<u>\$ 278,887</u>
9. Ending net OPEB obligation	<u>\$ 1,082,402</u>	<u>\$ 822,687</u>

The following table shows the City of Winnsboro's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2013	\$ 421,668	38.41%	\$ 1,082,402
June 30, 2012	\$ 403,219	30.83%	\$ 822,687

Funded Status and Funding Progress. In the fiscal year ending June 30, 2013, the City of Winnsboro made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of June 30, 2013, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$5,250,240, which is defined as that portion, as determined by a particular actuarial cost method (the City of Winnsboro uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 14 - POST EMPLOYMENT BENEFITS (continued)

	<u>2013</u>	<u>2012</u>
Actuarial accrued liability (AAL)	\$ 5,250,240	\$ 4,970,480
Actuarial value of plan assets	<u>-</u>	<u>-</u>
Unfunded act. accrued liability (UAAL)	<u>\$ 5,250,240</u>	<u>\$ 4,970,480</u>
Funded ratio (act. Val. Assets/AAL)	0.00%	0.00%
 Covered payroll (active plan members)	 \$ 1,613,538	 \$ 1,711,052
 UAAL as a percentage of covered payroll	 325.39%	 290.49%

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City of Winnsboro and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City of Winnsboro and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City of Winnsboro and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets. There are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6), as provided in paragraph number 125 of GASB Statement No. 45.

Turnover Rate. An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%.

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 14 - POST EMPLOYMENT BENEFITS (continued)

Post Employment Benefit Plan Eligibility Requirements. Historically, employees have tended to enter D.R.O.P. after 30 years of service. We have therefore assumed that employees retire three years after the earlier of that historical retirement age or age 60 and 10 years of service. The three years is to accommodate the D.R.O.P. period. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rates. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical benefits for the retiree only (not dependents). The medical rates provided are "blended" rates for active and retired before Medicare eligibility. We have therefore estimated the "unblended" rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility. The rates provided after Medicare eligibility were unblended as required by GASB 45.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post Retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 14 - POST EMPLOYMENT BENEFITS (continued)

Below is a summary of OPEB costs and contributions for the last three fiscal calendar years:

	OPEB Costs and Contributions		
	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
OPEB Cost	\$ <u>392,281</u>	\$ <u>403,219</u>	\$ <u>421,668</u>
Contribution	\$ -	\$ -	\$ -
Retiree premium	<u>115,122</u>	<u>124,332</u>	<u>161,953</u>
Total contribution and premium	\$ <u>115,122</u>	\$ <u>124,332</u>	\$ <u>161,953</u>
Change in net OPEB obligation	\$ <u>277,159</u>	\$ <u>278,887</u>	\$ <u>259,715</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	29.35%	30.83%	38.41%

SECTION IV
ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WINNSBORO, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL

GENERAL FUND

YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 377,000	\$ 377,000	\$ 362,770	\$ (14,230)
Licenses and permits	321,000	321,000	379,227	58,227
Intergovernmental:				
Federal	-	-	50,194	50,194
State	30,000	30,000	56,425	26,425
Charges for services	60,000	60,000	62,612	2,612
Fines and forfeitures	63,000	63,000	75,976	12,976
Interest income	700	700	428	(272)
Other	57,900	219,400	65,382	(154,018)
Total revenues	<u>\$ 909,600</u>	<u>\$ 1,071,100</u>	<u>\$ 1,053,014</u>	<u>\$ (18,086)</u>
Expenditures				
General government	\$ 1,405,050	\$ 1,411,127	\$ 1,405,960	\$ 5,167
Public safety:				
Police	550,335	550,335	502,248	48,087
Fire	345,750	347,031	330,634	16,397
Street department	495,000	495,000	539,790	(44,790)
Recreation	100,500	100,500	120,727	(20,227)
Capital outlay	24,000	185,500	335,459	(149,959)
Debt service:				
Principal	-	18,025	17,137	888
Interest	-	5,975	5,975	-
Total expenditures	<u>\$ 2,920,635</u>	<u>\$ 3,113,493</u>	<u>\$ 3,257,930</u>	<u>\$ (144,437)</u>
(Deficiency) of revenues over expenditures	<u>\$ (2,011,035)</u>	<u>\$ (2,042,393)</u>	<u>\$ (2,204,916)</u>	<u>\$ (162,523)</u>
Other Financing Sources (Uses)				
Transfers in	\$ 1,950,000	\$ 1,950,000	\$ 2,086,500	\$ 136,500
Total other financing	<u>\$ 1,950,000</u>	<u>\$ 1,950,000</u>	<u>\$ 2,086,500</u>	<u>\$ 136,500</u>
Net change in fund balance	\$ (61,035)	\$ (92,393)	\$ (118,416)	\$ (26,023)
Fund balances, beginning of year	<u>118,881</u>	<u>118,881</u>	<u>118,881</u>	<u>-</u>
Fund balances, end of year	<u>\$ 57,846</u>	<u>\$ 26,488</u>	<u>\$ 465</u>	<u>\$ (26,023)</u>

See Independent Auditor's Report.

CITY OF WINNSBORO, LOUISIANA
INDUSTRIAL GRANT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental - State	\$ -	\$ -	\$ 5,884	\$ 5,884
Interest income	10,800	5,350	8,104	2,754
Other	<u>24,000</u>	<u>12,000</u>	<u>12,000</u>	-
Total revenues	\$ 34,800	\$ 17,350	\$ 25,988	\$ 8,638
Expenditures				
General government	\$ 33,000	\$ 35,665	\$ 48,665	\$ (13,000)
Capital outlay	-	<u>85,000</u>	<u>110,000</u>	<u>(25,000)</u>
Total expenditures	\$ 33,000	\$ 120,665	\$ 158,665	\$ (38,000)
Net change in fund balance	\$ 1,800	\$ (103,315)	\$ (132,677)	\$ (29,362)
Fund balances, beginning of year	<u>784,057</u>	<u>784,057</u>	<u>784,057</u>	-
Fund balances, end of year	<u>\$ 785,857</u>	<u>\$ 680,742</u>	<u>\$ 651,380</u>	<u>\$ (29,362)</u>

See Independent Auditor's Report.

CITY OF WINNSBORO, LOUISIANA
SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,550,000	\$ 2,550,000	\$ 2,802,552	\$ 252,552
Intergovernmental				
State	-	261,276	290,316	29,040
Interest earned	14,500	14,500	7,379	(7,121)
Total revenues	<u>\$ 2,564,500</u>	<u>\$ 2,825,776</u>	<u>\$ 3,100,247</u>	<u>\$ 274,471</u>
Expenditures				
General government	\$ 27,500	\$ 27,500	\$ 27,291	\$ 209
Capital outlay	500,000	761,276	806,504	(45,228)
Total expenditures	<u>\$ 527,500</u>	<u>\$ 788,776</u>	<u>\$ 833,795</u>	<u>\$ (45,019)</u>
Excess of revenues over expenditures	\$ 2,037,000	\$ 2,037,000	\$ 2,266,452	\$ 229,452
Other Financing Sources (Uses)				
Transfers (out)	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>(2,086,500)</u>	<u>(136,500)</u>
Net change in fund balance	\$ 87,000	\$ 87,000	\$ 179,952	\$ 92,952
Fund balances, beginning of year	<u>3,117,745</u>	<u>3,117,745</u>	<u>3,117,745</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,204,745</u>	<u>\$ 3,204,745</u>	<u>\$ 3,297,697</u>	<u>\$ 92,952</u>

See Independent Auditor's Report.

CITY OF WINNSBORO, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

2. Budget Amendments and Revisions

The budget is adopted by the City Council. Amendments can be made on the approval of the City Council. A budgetary comparison is presented for the General Fund and each major special revenue fund consistent with accounting principles generally accepted in the United States of America.

SECTION V
OTHER SUPPLEMENTAL INFORMATION

CITY OF WINNSBORO, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

<u>Federal grantor/ Pass-through grantor/ Program title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>MAJOR FEDERAL AWARDS</u>		
<u>U.S. Department of Housing and Urban Development</u>		
Public Works Facilities, Streets	14.228	\$ 595,650
<u>Other federal awards</u>		
<u>Department of Transportation</u>		
<u>Federal Aviation Administration, (FAA)</u>		
Planning and construction	20.106	<u>50,194</u>
Total federal awards		<u>\$ 645,844</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 – Significant Accounting Policies

The accompanying schedule of expenditures of federal awards was prepared on the modified basis of accounting.

See Independent Auditor's Report.

SECTION VI
REPORTS ON INTERNAL CONTROL
AND COMPLIANCE



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Jackie Johnson, Mayor
and Members of the Board of Aldermen
City of Winnsboro, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winnsboro, Louisiana, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Winnsboro, Louisiana's basic financial statements and have issued our report thereon dated January 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Winnsboro, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Winnsboro, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Winnsboro, Louisiana's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as 2013-1 and 2013-2 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not consider any of the deficiencies described in the accompanying schedule of findings to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Winnsboro, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2013-3 and 2013-4.

City of Winnsboro, Louisiana's Response to Findings

The City of Winnsboro, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings. The City of Winnsboro, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Silas Simmons, LLP".

Natchez, Mississippi
January 21, 2014



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
 FEDERAL PROGRAM AND ON INTERNAL CONTROL
 OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

The Honorable Jackie Johnson, Mayor
 and Members of the Board of Aldermen
 City of Winnsboro, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Winnsboro, Louisiana's compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the City of Winnsboro, Louisiana's major federal programs for the year ended June 30, 2013. The City of Winnsboro, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Winnsboro, Louisiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on major federal programs occurred. An audit includes examining, on a test basis, evidence about the City of Winnsboro, Louisiana's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Winnsboro, Louisiana's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Winnsboro, Louisiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the City of Winnsboro, Louisiana is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Winnsboro, Louisiana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Winnsboro, Louisiana's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Natchez, Mississippi
January 21, 2014

SECTION VII
SCHEDULE OF FINDINGS

CITY OF WINNSBORO, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION 1: SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- | | |
|--|-------------|
| 1. Type of auditor's report issued on the financial statements: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | Yes |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | No |
| 3. Material noncompliance relating to the financial statements? | Yes |

Federal Awards:

- | | |
|--|---------------|
| 4. Type of auditor's report issued on compliance for major Federal programs: | Unqualified |
| 5. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 6. Any audit finding(s) reported as required by Section 510(a) of OMB Circular A-133? | No |
| 7. Federal programs identified as major programs: | |
| a. CFDA#14.228 Public Works Facilities, Streets | |
| 8. The dollar threshold used to distinguish between Type A and Type B programs: | \$300,000 |
| 9. Auditee qualified as a low-risk auditee? | No |
| 10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings as discussed in Section 315(b) of OMB Circular A-133? | No |

CITY OF WINNSBORO, LOUISIANA
STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

<u>Reference No.</u>	<u>Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Action/Partial Corrective Action Taken</u>
Section I - Internal Control and Compliance Material to the Financial Statements:				
2012-1	2012	<p><u>Internal Control Over Rental Income</u> The City does not maintain an adequate accounting and controls over rentals of the Community Center. We noted the following problems in reconciling rental income to deposits in the bank and entries in the general ledger:</p> <p>We identified 10 individual rentals of the Community Center in which the following could not be explained to us:</p> <ol style="list-style-type: none"> 1. In some cases, the rental of the Community Center was cancelled after the required deposits of \$150 were made, but the cancellation was not recorded in the receipt book. This gives the reader of the receipt book the impression that the rental agreement was still in effect, when it apparently had been cancelled and the deposits were scheduled to be refunded by the City to the entity who made the initial deposit. 2. The receipt book did not accurately document that the rent collected was deposited timely. Some deposits were not made for a month after being received in City Hall. The documentation is not clear when some deposits were made, which events were cancelled, and when refunds were given. The rentals of the Community Center are \$350 per event in addition to the \$150 deposit for damages and clean-up. 	Yes	This finding has been corrected.
2012-2	2012	<p><u>Budget Law Violation - General Fund</u> We noted the City has budgeted expenditures of \$3,149,621 and actual expenditures of \$3,349,023. The variance was 7% in excess of the budgeted amount. Louisiana Revised Statute 39:1311 requires expenditures to be within 5% of the amount budgeted.</p>	No	This finding continues this year as finding 2013-4.

CITY OF WINNSBORO, LOUISIANA
STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

<u>Reference No.</u>	<u>Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Action/Partial Corrective Action Taken</u>
Section I - Internal Control and Compliance Material to the Financial Statements: (continued)				
2012-3	2012	<p><u>Louisiana Legislative Advisory Services Report</u> The Louisiana Legislative Auditor issued an "Advisory Services Report" on March 8, 2012, detailing lack of controls and documentation related to the traffic ticket system. The summary of the report included lack of records of issued ticket books and lack of documentation for citations.</p> <p>Since the LLAAS report was issued during the year audited, the lack of records could not be corrected for the entire year, but corrections in the system were made for those months after the report was issued.</p>	Yes	This finding has been corrected.
Section II - Internal Control and Compliance Material to Federal Awards:				
	N/A			
Section III - Management Letter:				
	None issued			

CITY OF WINNSBORO, LOUISIANA
CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2013

Reference No.	Description of Finding	City of Winnsboro Response	Anticipated Completion Date												
Section I – Internal Control and Compliance Material to the Financial Statements:															
2013-1	<p><u>Reconciliation of Bank Accounts</u> The payroll bank account was not reconciled during the year. This is a material weakness in internal control.</p> <p><u>Recommendation</u> We recommend that all bank accounts be reconciled as soon as possible at the end of each month.</p>	Mayor Johnson indicates the City will reconcile every Bank account at the end of each month this year.	June 30, 2014												
2013-2	<p><u>Utility Accounts Receivable Reconciliation</u> The accounts receivable subsidiary ledger is not being reconciled to the accounts receivable recorded in the general ledger each month.</p> <p>The following is a recap of the unreconciled amounts:</p> <table><tr><td></td><td>General Fund</td><td>Proprietary Fund</td></tr><tr><td>Accounts receivable per general ledger</td><td>\$ 9,815</td><td>\$ 147,253</td></tr><tr><td>Accounts receivable per subsidiary ledger</td><td>2,125</td><td>57,431</td></tr><tr><td>Unreconciled amounts</td><td><u>\$ 7,690</u></td><td><u>\$ 89,822</u></td></tr></table> <p><u>Recommendation</u> We recommend that accounts receivable recorded in the general ledger be reconciled each month to the accounts receivable detail from the subsidiary ledger.</p>		General Fund	Proprietary Fund	Accounts receivable per general ledger	\$ 9,815	\$ 147,253	Accounts receivable per subsidiary ledger	2,125	57,431	Unreconciled amounts	<u>\$ 7,690</u>	<u>\$ 89,822</u>	Mayor Johnson indicates that these reconciliations will be done monthly this year.	June 30, 2014
	General Fund	Proprietary Fund													
Accounts receivable per general ledger	\$ 9,815	\$ 147,253													
Accounts receivable per subsidiary ledger	2,125	57,431													
Unreconciled amounts	<u>\$ 7,690</u>	<u>\$ 89,822</u>													

CITY OF WINNSBORO, LOUISIANA

CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2013

<u>Reference No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Anticipated Completion Date</u>												
Section I – Internal Control and Compliance Material to the Financial Statements: (continued)															
2013-3	<p><u>Budget Law Violation</u></p> <p>The actual spending in the Industrial Grant Fund and the Sales Tax Fund both exceeded the budget by more than 5%. The following is a recap of the spending and the budgeted amounts:</p> <table> <tr> <th></th><th><u>Budget</u></th><th><u>Spending</u></th><th><u>Variance</u></th></tr> <tr> <td>Industrial Grant</td><td>\$ 120,665</td><td>\$ 158,665</td><td>\$ (38,000)</td></tr> <tr> <td>Sales Tax Fund</td><td>\$ 788,776</td><td>\$ 833,795</td><td>\$ (45,019)</td></tr> </table> <p><u>Recommendation</u></p> <p>We recommend the City of Winnsboro monitor its budget closely and make amendments if necessary.</p>		<u>Budget</u>	<u>Spending</u>	<u>Variance</u>	Industrial Grant	\$ 120,665	\$ 158,665	\$ (38,000)	Sales Tax Fund	\$ 788,776	\$ 833,795	\$ (45,019)	Mayor Johnson indicated the City will comply with the law in future years.	June 30, 2014
	<u>Budget</u>	<u>Spending</u>	<u>Variance</u>												
Industrial Grant	\$ 120,665	\$ 158,665	\$ (38,000)												
Sales Tax Fund	\$ 788,776	\$ 833,795	\$ (45,019)												
2013-4	<p><u>Late filing of Audit Report</u></p> <p>The City's audited financial statements were not completed and submitted to the Legislative Auditor's office by the statutory date of December 31, 2013. The City was unable to compile complete and accurate records in time to be delivered by the statutory deadline.</p> <p><u>Recommendation</u></p> <p>We recommend that the City have all their information ready to be audited early enough to be filed by December 31.</p>	Mayor Johnson indicated that the audit report will be filed timely next year.	June 30, 2014												

Section II – Internal Control and Compliance Material to Federal Awards:

N/A

Section III – Management Letter:

No management letter issued.